



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Exhibit C, Revision 3, Individual Customer Commitment and Contribution, to Contract 96-SNR-00110, Agreement for the Funding of Operation and Maintenance for Central Valley Project Facilities and Amendment 2 to the Agreement (\$115,668.77)

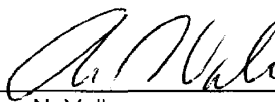
MEETING DATE: May 17, 2000

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to execute Exhibit C, Revision 3, Individual Customer Commitment and Contribution, to Contract 96-SNR-00110, Agreement for the Funding of Operation and Maintenance for Central Valley Project Facilities and Amendment 2 to the Agreement **with Western Area Power Administration (\$115,668.77)**

BACKGROUND INFORMATION: Customers such as the City of Lodi participate in a program to assure a predictable flow of funds for operation and maintenance of Central Valley Project (CVP) power facilities. Funds advanced are subsequently credited against CVP power bills with little or no net impact on the City's Bulk Purchase Power costs.

FUNDING: Not applicable



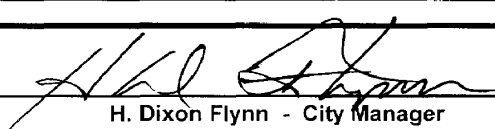
Alan N. Vallow
Electric Utility Director

PREPARED BY: John Stone, Manager, Business Planning and Marketing

ANV/JS/tl

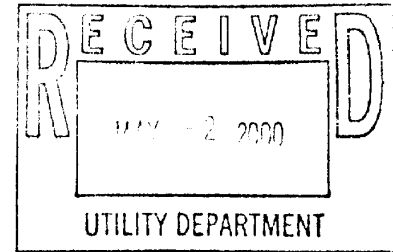
C: City Attorney

APPROVED: _____


H. Dixon Flynn - City Manager



Department of Energy
Western Area Power Administration
Sierra Nevada Customer Service Region
114 Parkshore Drive
Folsom, California 95630-4710



APR 28 2000

Mr. Alan N. Vallow
Electric Utility Director
City of Lodi
1331 South Ham Lane
Lodi, CA 95242

Dear Mr. Vallow:

Enclosed for your signature are three copies of Exhibit C, Revision 3, Individual Customer Commitment and Contribution, to Contract 96-SNR-00110, Agreement for the Funding of Operation and Maintenance for Central Valley Project Power Facilities and Amendment 2 to the Agreement. Amendment 2 modifies Section 13 of the Agreement to allow the Governance Board to approve assignment or transfer of interest in the Agreement to another party.

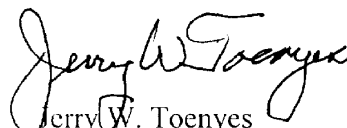
Exhibit C, Revision 3, establishes your 1/12 contribution commitment for fiscal years (FY) 2003 and 2004 as defined in Section 5.4 of the Agreement. It also establishes your fair-share funding level for FY 2003. To insure adequate funding for the FY 2003 Plan, we recommend that you commit to the suggested amount shown in the enclosed example of Exhibit C. The suggested amount of your fair-share contribution is based on your Contract Rate of Delivery as of January 3, 2000. We have also enclosed a spreadsheet that shows dollar estimates for customers participating in the funding.

To establish your 1/12 contribution commitment and your fair-share commitment for FY 2003, and approve Amendment 2, please do the following:

- Enter the dollar amount of the contribution you agree to make for FY 2003 in column 5 of all three copies of Exhibit C.
- Sign and date all three signature pages of the exhibit revision.
- Sign all three original signature pages of Amendment 2.
- Return all originals to Peggy Muir, N6205, at this office by July 14, 2000.

If you have any questions, please contact Vicki Page at (916) 353-4561.

Sincerely,


Jerry W. Toenyes
Regional Manager

4 Enclosures
Exhibit C, Revision 3 (3)
Amendment 2 (3)
Example Exhibit C
Spreadsheet

Contract No. 96-SNR-00110
Amendment No. 2

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA CUSTOMER SERVICE REGION
CENTRAL VALLEY PROJECT, CALIFORNIA

AND

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
MID-PACIFIC REGION

AND

CENTRAL VALLEY PROJECT
CUSTOMERS

AMENDMENT NO. 2 TO THE
AGREEMENT FOR THE FUNDING OF POWER OPERATION AND MAINTENANCE FOR
CENTRAL VALLEY PROJECT POWER FACILITIES

UNITED STATES
DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
SIERRA NEVADA CUSTOMER SERVICE REGION
CENTRAL VALLEY PROJECT, CALIFORNIA
AND
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
MID-PACIFIC REGION
AND
CENTRAL VALLEY PROJECT
CUSTOMERS

AMENDMENT NO. 2 TO THE
AGREEMENT FOR THE FUNDING OF POWER OPERATION AND MAINTENANCE FOR
CENTRAL VALLEY PROJECT POWER FACILITIES

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1 UNITED STATES
2 DEPARTMENT OF ENERGY
3 WESTERN AREA POWER ADMINISTRATION
4 SIERRA NEVADA CUSTOMER SERVICE REGION
5 CENTRAL VALLEY PROJECT, CALIFORNIA

6 AND
7 UNITED STATES
8 DEPARTMENT OF THE INTERIOR
9 BUREAU OF RECLAMATION
10 MID-PACIFIC REGION
11 AND
12 CENTRAL VALLEY PROJECT
13 CUSTOMERS

14 AMENDMENT NO. 2 TO THE
15 AGREEMENT FOR THE FUNDING OF POWER OPERATION AND MAINTENANCE FOR
16 CENTRAL VALLEY PROJECT POWER FACILITIES
17

18 1. **PREAMBLE:** This Amendment to Contract No. 96-SNR-00110 (Primary
19 Agreement) is made the ____ day of _____, 2000 between the UNITED
20 STATES OF AMERICA (United States), acting by and through the Administrator,
21 Western Area Power Administration (Western), Department of Energy, represented by
22 the Regional Manager, Sierra Nevada Customer Service Region (SNR), the officer
23 executing this Agreement, or a duly appointed successor, and (ii) acting by and through
24 the Commissioner, Bureau of Reclamation (Reclamation), Department of the Interior,
represented by the Regional Director, Mid-Pacific Region; and the Central Valley Project
(CVP) preference power customers set forth in Exhibit A of the Primary Agreement.

21 2. **RECITALS:**

22 2.1 Western, Reclamation, and the CVP preference power customers entered into the
23 Primary Agreement on November 12, 1997.
24

2.2 The Parties have determined that Section 13 of the Primary Agreement is administratively burdensome and desires to modify it.

3.
AGREEMENT: The Parties agree to the terms and conditions set forth herein.

4.
TERM OF AMENDMENT: This Amendment shall become effective upon execution and shall remain in effect concurrently with the Primary Agreement.

5.
DEFINITION OF TERMS: Section 13 of the Primary Agreement is hereby deleted, and the following substituted therefor:

“13. **SUCCESSORS AND ASSIGNS:** This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors. No Party shall assign its interest in this Agreement, in whole or in part, without the prior written consent of the Governance Board. In no event, shall any Party assign this Agreement to any Party that is not financially responsible or which cannot perform its obligations pursuant to this Agreement, nor shall any Party assign this Agreement on any terms at variance from those set forth in this Agreement. No permitted assignment or transfer shall change the duties of the Parties, or impair the chances of obtaining performance under this Agreement, except to the extent set forth in such permitted assignment and approved in writing by the Governance Board.”

6.
PRIMARY AGREEMENT TO REMAIN IN EFFECT: Except as expressly modified by this Amendment, said Primary Agreement shall remain in full force and effect; and

1 this Amendment shall be subject to all provisions of the Primary Agreement, except as herein
2 amended.

3
4 **IN WITNESS WHEREOF**, the Parties have caused this Amendment to be executed the
5 day and year first above written. The signatories hereto represent that they have been
6 appropriately authorized to enter into this Amendment on behalf of the Party for whom they sign.

7
8 **WESTERN AREA POWER ADMINISTRATION**

9 By: _____

10 Title: Regional Manager

11 Address: 114 Parkshore Drive

12 Folsom, CA 95630-4710

13
14 **BUREAU OF RECLAMATION**

15 By: _____

16 Title: Regional Director

17 Address: Mid-Pacific Region

18 2800 Cottage Way

19 Sacramento, CA 95825

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed the day and year first above written. The signatories hereto represent that they have been appropriately authorized to enter into this Amendment on behalf of the Party for whom they sign.

CITY OF LODI

By: H. DIXON FLYNN

Attest: _____ Title: CITY MANAGER

By: _____ Address: PO BOX 3006

Title: CITY CLERK LODI CA 95241

APPROVED AS TO FORM:

Randall A. Hays
RANDALL A. HAYS, CITY ATTORNEY

Exhibit C
(Individual Customer Commitment and Contribution)

1. This Exhibit C, Revision 3, to be effective under and as a part of Contract No. 96-SNR-00110 (hereinafter called the Agreement) shall become effective upon execution, and shall remain in effect until either superseded by a revised Exhibit C or upon termination of the Agreement.
2. The City of Lodi agrees to make a Contribution pursuant to Section 8 of the Agreement for the Fiscal Year and in the amount specified in Section 3 below. The minimum Contribution commitment level required to qualify as a Contributor pursuant to Section 5.4 of the Agreement is indicated in Column 2 of the table shown in Section 3 below.
3. Please specify the Contribution commitment level(s) in the appropriate row(s) for the applicable FY(s).

Column 1	Column 2	Column 3	Column 4	Column 5
FY	Section 5.4 Qualifying Amount in Dollars	Revision No. <u>1</u> Contribution Commitment Level Amount in Dollars	Revision No. <u>2</u> Contribution Commitment Level Amount in Dollars	Revision No. <u>3</u> Contribution Commitment Level Amount in Dollars
2001	9,903.56	9,903.56	9,903.56	9,903.56
2002	9,903.56	9,903.56	20,000.00	20,000.00
2003	28,530.62	N/A	N/A	115,668.77
2004	29,758.93	N/A	N/A	

Qualifying Amounts and Contributions Commitment amounts, if any, are not shown for fiscal years prior to fiscal year 2001 in the above table. For that information refer to an earlier revision of Exhibit C.

The signature below commits the Customer named to make Contributions, for the specified Fiscal Year(s), up to but not greater than the level indicated in the latest revision of the Contribution commitment level for a specific FY.

City of Lodi

Date of Execution: _____

By: _____
H. DIXON FLYNN

ATTEST:

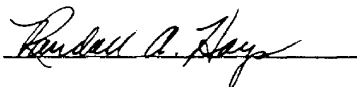
Title: CITY MANAGER

INTERIM CITY CLERK

Address: PO BOX 3006

LODI CA 95241

APPROVED AS TO FORM:



Draft FY2003
Fair Share

	Fair Share Funding Level (Sec 8.2.4.1)	%	Minimum 1/12 Share	Aug 2002	Sep 2002
Deposits:					
Alameda, City of	184,785.14	1.93%	45,578.72	184,785.14	
Biggs, City of	11,360.64	0.12%	2,802.19	11,360.64	
Gridley, City of	36,703.60	0.38%	9,053.23	36,703.60	
Healdsburg, City of	28,322.94	0.30%	6,986.08	28,322.94	
Lassen Municipal Utility District	205,365.37	2.14%	50,655.00	205,365.37	
Lodi, City of	115,668.77	1.21%	28,530.62	115,668.77	
Lompoc, City of	45,416.33	0.47%	11,202.30	45,416.33	
Palo Alto, City of	1,496,108.56	15.59%	369,027.05	1,496,108.56	
Plumas-Sierra Rural Electric Co-op	156,427.24	1.63%	38,584.02	156,427.24	
Redding, City of	795,244.62	8.29%	196,153.40	795,244.62	
Roseville, City of	602,987.68	6.29%	148,731.70	602,987.68	
Sacramento Municipal Utility District	3,154,761.62	32.88%	778,146.99	3,154,761.62	
Silicon Valley Power	1,193,146.58	12.44%	294,299.07	1,193,146.58	
Shasta Lake, City of	100,061.00	1.04%	24,680.84	100,061.00	
Turlock Irrigation District	34,440.21	0.36%	8,494.95	34,440.21	
Ukiah, City of	76,666.82	0.80%	18,910.48	76,666.82	
Ames Research Center	699,116.15	7.29%	172,442.55	699,116.15	
Moffett Federal Field	43,773.41	0.46%	10,797.06	43,773.41	
California State Univ., Sacramento	873.90	0.01%	215.55	873.90	
Bay Area Rapid Transit District	34,955.81	0.36%	8,622.13	34,955.81	
Arvin-Edison Water Storage District	262,168.56	2.73%	64,665.96	262,168.56	
Banta-Carbona Irrigation District	32,334.12	0.34%	7,975.47	32,334.12	
Byron-Bethany Irrigation District	19,225.69	0.20%	4,742.17	19,225.69	
Eastside Power Authority	38,870.86	0.41%	6,382.53	38,870.86	
San Juan Water District	8,738.95	0.09%	2,155.53	8,738.95	
Santa Clara Valley Water District	8,625.35	0.09%	2,127.51	8,625.35	
Sonoma County Water Agency	52,433.71	0.55%	12,933.19	52,433.71	
Trinity County Public Utilities District	155,116.40	1.62%	38,260.69	155,116.40	
Total Deposits	9,593,700.00	100.00%	2,363,156.98	9,593,700.00	

Assumes all deposits &
withdrawals occur in one month.
In fact, the deposits &
withdrawals will be made in
accordance with Reclamation's
Withdrawal Schedule.

Draft FY2003
Fair Share

Projected Withdrawals:			
Reclamation	3,200,500.00		
Western	0.00		
Total Projected Withdrawal	3,200,500.00		
		%	
			Aug 2002 Sep 2002
Credits:			
Alameda, City of	61,645.12	1.93%	61,645.12
Biggs, City of	3,789.96	0.12%	3,789.96
Gridley, City of	12,244.48	0.38%	12,244.48
Healdsburg, City of	9,448.66	0.30%	9,448.66
Lassen Municipal Utility District	68,510.78	2.14%	68,510.78
Lodi, City of	38,587.60	1.21%	38,587.60
Lompoc, City of	15,151.09	0.47%	15,151.09
Palo Alto, City of	499,108.31	15.59%	499,108.31
Plumas-Sierra Rural Electric Co-op	52,184.81	1.63%	52,184.81
Redding, City of	265,297.06	8.29%	265,297.06
Roseville, City of	201,159.31	6.29%	201,159.31
Sacramento Municipal Utility District	1,052,442.18	32.88%	1,052,442.18
Santa Clara, City of	398,038.88	12.44%	398,038.88
Shasta Lake, City of	33,380.78	1.04%	33,380.78
Turlock Irrigation District	11,489.40	0.36%	11,489.40
Ukiah, City of	25,576.39	0.80%	25,576.39
Ames Research Center	233,228.18	7.29%	233,228.18
Moffett Federal Field	14,603.00	0.46%	14,603.00
California State Univ., Sacramento	291.54	0.01%	291.54
Bay Area Rapid Transit District	11,661.41	0.36%	11,661.41
Arvin-Edison Water Storage District	87,460.57	2.73%	87,460.57
Banta-Carbona Irrigation District	10,786.80	0.34%	10,786.80
Byron-Bethany Irrigation District	6,413.78	0.20%	6,413.78
Eastside Power Authority	12,967.49	0.41%	12,967.49
San Juan Water District	2,915.35	0.09%	2,915.35
Santa Clara Valley Water District	2,877.45	0.09%	2,877.45
Sonoma County Water Agency	17,492.11	0.55%	17,492.11
Trinity County Public Utilities District	51,747.50	1.62%	51,747.50
Total Credits	3,200,500.00	100.00%	3,200,500.00

Assumes all deposits & withdrawals occur in one month.
In fact, the deposits & withdrawals will be made in accordance with Reclamation's Withdrawal Schedule.

Draft FY2003
Fair Share

Working Funds: /1		
Reclamation		
Projected Monthly Withdrawal		3,200,500.00
25% Reserve		800,125.00
Subtotal Reclamation		4,000,625.00
Western		
Projected Monthly Withdrawal		0.00
25% Reserve		0.00
Subtotal Western		0.00
Monthly Working Fund Balance		4,000,625.00
Governance Funds:/2		
Fees /3		16,000.00
Reclamation	Exigency Fund	5,097,000.00
Reclamation	Non Emerg 15%	480,075.00
Western		0.00
Total Governance Funds		5,593,075.00
Total Funding Plan		9,593,700.00

Reclamation's Request - FY 2003 \$3,200,500 800,125

/1 Working Funds include both the 25% reserve for Reclamation's cash flow (\$800,125) and the projected monthly withdrawal (annual total \$3,200,500).

/2 Governance Funds include both SMUD's and the bank's estimated fees. The funds in this sub-account may only be made available to the agencies upon Governance Board approval on a case-by-case basis.

/3 As provided in the Escrow Agreement, amounts deposited in the Escrow Account for fees will be recorded and reported in the Administrative Sub-Account. Once the account balance is large enough to become self supporting (interest exceeds fees) a separate collection will not be required for these amounts. Fees are based on estimates only. It is assumed that these fees would be deducted by the Bank before 6/30 in each Billing/Crediting cycle.

Important Dates:

Bill Date: 08/15/2002
Due Date: 09/15/2002
Withdrawal Date: 09/25/2002

Credit Applied to Power Bill for the month of withdrawal.

Timing of deposits and withdrawals into Escrow Account is critical to Western's ability to credit contributors.

Credits will not be applied to the reserve balance, unless it is withdrawn from the Escrow Account. (Section 8.3.2)

RESOLUTION NO. 2000-79

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING EXHIBIT C,
REVISION 3, INDIVIDUAL CUSTOMER COMMITMENT AND
CONTRIBUTION, TO CONTRACT NO. 96-SNR-00110 WITH WESTERN
AREA POWER ADMINISTRATION AND BUREAU OF RECLAMATION FOR
THE FUNDING OF OPERATION AND MAINTENANCE FOR THE
CENTRAL VALLEY PROJECT FACILITIES AND AMENDMENT 2 TO THE
AGREEMENT, AND AUTHORIZING THE CITY MANAGER TO EXECUTE
SAID DOCUMENTS ON BEHALF OF THE CITY OF LODI

=====

BE IT RESOLVED that the City Council of the City of Lodi does hereby approve Exhibit C, Revision 3, Individual Customer Commitment and Contribution, to Contract No. 96-SNR-00110 with Western Area Power Administration and Bureau of Reclamation for the Funding of Operation and Maintenance for the Central Valley Project Facilities and Amendment 2 to the Agreement; and

BE IT FURTHER RESOLVED, that the City Manager is authorized and directed to execute said documents on behalf of the City of Lodi.

Dated: May 17, 2000

=====

I hereby certify that Resolution No. 2000-79 was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 17, 2000, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Land, Pennino and Mann (Mayor)

NOES: COUNCIL MEMBERS - None

ABSENT: COUNCIL MEMBERS - Nakanishi

ABSTAIN: COUNCIL MEMBERS - None


JACQUELINE L. TAYLOR
Interim City Clerk

2000-79